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**Consumer Price Index
Detroit-Ann Arbor-Flint, MI CMSA
June 2000**

The Detroit-Ann Arbor-Flint, MI Consumer Price Index for All Urban Consumers (CPI-U) rose 1.6 percent from April to June, according to a report issued today by the U.S. Department of Labor's Bureau of Labor Statistics. The June All Items CPI-U for the Detroit area stood at 170.8 (1982-84=100). Over the past year, Detroit area retail price inflation, as measured by the CPI-U, increased 4.3 percent. This was above the average annual inflation of 2.5 percent recorded over the previous five years.

Peter J. Hebein, Regional Commissioner for the Bureau's Chicago Regional Office, stated that a 15.2 percent hike in energy costs was the dominant factor in the April - June period. A sharp gain in gasoline prices accounted for the majority of the overall increase. Smaller increases in the food and beverages, housing, medical care, recreation and the other goods and services components were responsible for the remainder. The large decline in the apparel component had little impact on the overall index. There was no change in the education and communication component. Excluding the effect of rising energy costs, the Detroit CPI-U would have increased only 0.3 percent from April to June.

Table A. Percent Changes in the CPI-U, Detroit-Ann Arbor-Flint, MI (not seasonally adjusted)

Expenditure Category	Changes from 2 months ago							12 mo. ended June. '00
	1999				2000			
	June	Aug.	Oct.	Dec.	Feb.	Apr.	June	
All items	-0.2	0.2	1.0	-0.2	1.0	.5	1.6	4.3
Food & beverages	-.1	-.5	1.2	.7	.6	.7	.8	3.6
Housing	.5	1.3	0	-.2	1.3	.7	.1	3.3
Apparel	-4.8	-5.7	5.5	-6.1	5.7	-3.2	-6.3	-10.5
Transportation	-.5	.5	1.5	1.4	.4	.6	7.3	12.2
Medical care	.5	0	.2	-.5	1.5	.9	3.4	5.5
Recreation	.1.9	-1.0	1.7	-1.3	-2.7	3.9	1.0	1.4
Education and communications	-.9	1.4	.1	1.3	.3	-2.1	0	.9
Other goods & services	-2.0	1.2	2.4	-1.7	.9	1.8	.1	4.7

The transportation component jumped 7.3 percent during this bimonthly period, led by the 7.2 percent increase in private transportation costs. Gasoline prices climbed 38.2 percent between April and June, the largest bimonthly increase recorded in the last ten years. On an annual basis, pump prices were up 67.2 percent. This follows a 2.2 percent increase during the same period in 1999 and an 8.8 percent decline posted in 1998. Overall transportation costs were 12.2 percent higher than a year ago, following an increase of 1.4 percent during the same period in 1999.

The seasonally volatile apparel component dropped 6.3 percent, in-line with the 6.7 percent average bimonthly declines recorded during the three prior April-June periods. For the year, apparel prices were 10.5 percent lower after showing gains of 4.0 percent and 2.0 percent during the same 12-month periods in 1999 and 1998, respectively.

The housing component increased 0.1 percent from April. The 0.5 percent increase in shelter cost was mostly offset by a 1.8 percent drop in the fuels and utilities index and a 0.3 percent decline in the household furnishings and operations index. On an annual basis the housing component was up 3.3 percent. This was above annual gains averaging 2.4 percent during the previous three June - June periods.

The medical care component climbed 3.4 percent from April through June and stood 5.5 percent higher than a year ago. This annual increase follows a 4.3 percent annual gain in 1999 and a 10.4 percent hike during the previous year.

The component for food and beverages rose 0.8 percent over the two month period. A 1.1 percent jump in the cost of grocery food items (food at home) and a 0.6 percent gain in the index for food away from home, offset a 0.1 percent decline in the cost of alcoholic beverages. Over the past twelve months, the cost of food at home rose 4.6 percent, the largest one-year gain recorded since the 4.7 percent reported in June 1997. The overall food and beverage component was 3.6 percent higher than its level a year ago, following an annual increase of 2.9 percent in June 1999.

The recreation component rose 1.0 percent during the bimonthly period and was up 1.4 percent over June 1999. Much of the latest two-month gain was attributed to higher admissions costs.

There was no change in the education and communications component from April through June. In June, the component stood 0.9 percent higher than its level in June 1999.

The other goods and services component inched up 0.1 percent during this bimonthly period and was 4.7 percent higher than a year ago. This follows average annual increases of 8.5 percent recorded during the prior two June - June periods.

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Scheduled release date for the July CPI:
Wednesday, August 16, 2000

CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U.S. City Average and for the Detroit area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier as well as the scheduled release date for the next CPI issuance. The Hotline number in Detroit is (313) 226-7558.

BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 280 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 30 metropolitan areas. To receive by fax a catalog of documents available on the service, call 312 353-1880, select menu option 1, and when prompted, order document 1000.

BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPI's for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels and a few other items are obtained every month in all 87 location. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. City average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 26 local area. Area indexes do not measure differences in the level of prices among cities, they only measure the average change in prices for each base period.

The index measure prices changes from a designated reference data - 1982-84 that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see the BLS Handbook of Methods, Bulletin 2490, April 1997, Chapter 17, The Consumer Price Index.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Detroit-Ann Arbor-Flint, MI (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	Apr. 2000	May 2000	June 2000	June 1999	Apr. 2000	May 2000
Expenditure category						
All items	168.1	-	170.8	4.3	1.6	-
All items (1967=100)	499.8	-	507.6	-	-	-
Food and beverages	162.6	-	163.9	3.6	.8	-
Food	162.0	-	163.4	3.7	.9	-
Food at home	161.7	164.8	163.4	4.6	1.1	-0.8
Food away from home	163.5	-	164.4	2.3	.6	-
Alcoholic beverages	166.1	-	165.9	.9	-1.1	-
Housing	160.7	-	160.9	3.3	.1	-
Shelter	185.1	186.6	186.1	3.7	.5	-3
Rent of primary residence ¹	172.3	173.0	171.2	3.8	-6	-1.0
Owners' equivalent rent of primary residence ^{1 2}	190.1	191.1	190.4	3.1	.2	-4
Fuels and utilities	131.6	-	129.2	2.8	-1.8	-
Fuels	108.7	108.1	106.3	2.3	-2.2	-1.7
Gas (piped) and electricity ¹	110.0	109.9	107.8	.9	-2.0	-1.9
Electricity ¹	132.0	132.0	127.3	2.0	-3.6	-3.6
Utility natural gas service ¹	94.0	93.9	93.9	-1	-1	.0
Household furnishings and operations	119.7	-	119.4	.6	-3	-
Apparel	129.9	-	121.7	-10.5	-6.3	-
Transportation	158.3	-	169.9	12.2	7.3	-
Private transportation	156.2	-	167.4	12.2	7.2	-
Motor fuel	123.5	128.8	170.5	67.0	38.1	32.4
Gasoline (all types)	123.0	128.3	170.0	67.2	38.2	32.5
Gasoline, unleaded regular ³	123.9	129.2	171.9	69.7	38.7	33.0
Gasoline, unleaded midgrade ^{3 4}	138.0	143.9	189.7	63.3	37.5	31.8
Gasoline, unleaded premium ³	124.9	130.4	170.5	62.2	36.5	30.8
Medical care	251.1	-	259.6	5.5	3.4	-
Recreation ⁵	107.2	-	108.3	1.4	1.0	-
Education and communication ⁵	106.8	-	106.8	.9	.0	-
Other goods and services	275.2	-	275.5	4.7	.1	-
Commodity and service group						
All items	168.1	-	170.8	4.3	1.6	-
Commodities	146.3	-	150.1	5.4	2.6	-
Commodities less food and beverages	137.0	-	141.9	6.4	3.6	-
Nondurables less food and beverages	147.8	-	158.0	11.5	6.9	-
Durables	121.1	-	120.4	.2	-6	-
Services	191.3	-	192.8	3.4	.8	-
Special aggregate indexes						
All items less medical care	164.4	-	166.8	4.2	1.5	-
All items less shelter	163.7	-	167.0	4.5	2.0	-
Commodities less food	138.4	-	143.2	6.2	3.5	-
Nondurables	155.5	-	161.5	7.5	3.9	-
Nondurables less food	149.2	-	159.0	11.0	6.6	-
Services less rent of shelter ²	203.0	-	205.1	3.2	1.0	-
Services less medical care services	185.8	-	186.9	3.3	.6	-
Energy	116.4	118.5	136.5	31.3	17.3	15.2
All items less energy	175.4	-	175.9	2.3	.3	-
All items less food and energy	178.6	-	179.0	2.1	.2	-

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series converted to a geometric means estimator in January, 1999.

² Index is on a December 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date.